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Cesar Caballero
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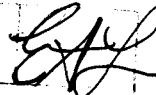
June 10, 2014

Steve Olea
Director of Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

ORIGINAL

Arizona Corporation Commission
DOCKETED

JUN 11 2014

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Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

RE: Docket Nos. T-03267A-10-0381 and T-03342A-10-0381, Decision No. 72015, In the Matter of the Joint Application of PAETEC Holding Corp., McLeodUSA Telecommunications Services, Inc. d/b/a PAETEC Business Services and Talk America, Inc. d/b/a Cavalier Telephone and Cavalier Business for Approval to Transfer of Indirect Control of Talk America, Inc. to PAETEC Holding Corp.

Dear Mr. Olea:

On November 22 and 23, 2010, in the above captioned proceeding, the Arizona Corporation Commission ("Commission") approved the transfer of indirect control of McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") and Talk America, Inc. ("Talk America") to PAETEC Holding Corp. ("PAETEC"). The Commission's decision required McLeodUSA, Talk America and PAETEC to file by April 15, 2011 and April 15, 2012 the status of plans to increase investment and employees related to the transaction. McLeodUSA, Talk America and PAETEC filed the initial report on April 15, 2011, but inadvertently missed the second filing. McLeodUSA, Talk America and PAETEC provide these responses to comply with the Commission's order:

- 1) PAETEC and Talk America shall provide Commission Staff with updates by April 15, 2011 and April 15, 2012 on the status of plans related to the proposed transaction to increase employees and investment in Arizona.

RESPONSE: As of April 1, 2011, PAETEC, Talk America had 19 employees. As of April 1, 2012, PAETEC, Talk America and McLeodUSA increased this number to 27 employees.

From April 16, 2011 to November 30, 2011, PAETEC, Talk America and McLeodUSA collectively invested \$97.7 million nationwide. Specific Arizona investments could not be determined. From December 1, 2011 to April 15, 2012, PAETEC, Talk America and McLeodUSA increased their aggregate investment in Arizona.

- 2) PAETEC and Talk America shall provide the Commission Staff with updates by April 15, 2011 and April 15, 2012 of any changes in the status of debt financing plans.

RESPONSE: On January 3, 2012, PAETEC retired \$150 million of the outstanding PAETEC 2015 Notes. On February 21, 2012, PAETEC retired the remaining \$150 million outstanding of the PAETEC 2015 Notes.

If you have any additional questions please contact me at (501) 748-7142 or by e-mail at cesar.caballero@windstream.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Cesar Caballero", with a stylized flourish at the end.

Cesar Caballero